

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
FINANCIAL ASSISTANCE DIVISION**

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**CDBG****Community Development Block Grant Program****MANAGEMENT MEMORANDUM****Memorandum Number 06-11****TO: Eligible Jurisdictions and Interested Parties****DATE: October 24, 2006****SUBJECT: Application Training Questions and Answers for 2006 General and Planning and
Technical Assistance Allocations****Purpose of this Memo:**

This memorandum provides answers to questions presented at the NOFA workshops. Listed below are the questions and answers.

General Allocation Application Training Questions:**Eligibility of Laterals and Well or Septic abandonment on Private Property under a Public Works Activity:**

Question: Can an applicant propose doing laterals and well or septic abandonment under a public work project and do those activities get the 50 State bonus points for public works?

Answer: Yes, 50 State bonus points will be provided for laterals and well or septic abandonment activity done under the public works activity. The private laterals and abandonment must be in support of a large water or sewer system improvement project and restricted to only laterals and abandonment with no other home repairs being done to the assisted residential properties. If an applicant wants to do both laterals and abandonment with additional repairs, then they must submit for funding under the housing rehabilitation activity.

A lateral and abandonment activity under public works will be conducted just like a rehabilitation program and will use the same HUD codes as a housing rehabilitation program. The same special conditions will be met for laterals as for housing rehabilitation.

Disencumbering of Funds:

Question: Will grantees receive performance consequences if they disencumber grant funds 90 days or more before the grant agreement expires?

Answer: No, grantees will not receive performance consequences if they disencumber funds before 90 days of the grant agreement expiration. It is always recommended that grant funds be disencumbered as soon as a grantee knows the funds will not be used.

Available Funding Levels:

Question: Does receiving Colonia's funding affect the amount of money a grantee can apply for under the 2006 General Allocation?

Answer: No, receiving Colonia's funds does not affect the amount of General Allocation funds a grantee can apply for, these are issued under separate NOFA.

Poverty Index:

Question: Is the Poverty index based on jurisdiction or statewide information?

Answer: Poverty data comes from 2000 Census Data and reflects the local jurisdiction or target area where the proposed CDBG activity is taking place.

Documentation of Leverage:

Question: Are applicants required to provide leverage documentation this year?

Answer: Yes for Local and No for Private. Yes, documentation for local leverage is required, typically approved by governing body via resolution. No, documentation for private leverage, typically documented with letters, is not required. Any local or private leverage stated in the application will be listed in the State grant agreement and must be documented at time of monitoring.

Using School Fees for Leverage:

Question: Do applicants show school fees under local or private leverage?

Answer: Applicants should show school fees waivers or reductions under local leverage school districts are public agencies. A resolution or formal waiver action by the school board will be needed as documentation.

Counting Leverage Spent Prior to Application Submittal:

Question: If an applicant has a project which has been in development for sometime and has already expended local or private leverage funds prior to application submittal, can this leverage already spent be counted?

Answer: No, applicants can not use the funding already spent on the project activity as leverage. Only leverage spent within the term of the grant can be counted.

Private Leverage Scoring:

Question: Is private leverage scored by activity?

Answer: Yes. For example, private leverage pledged by one applicant for a housing rehabilitation program would be ranked against all other applicants proposing housing rehabilitation programs.

Program Income:

Question: Can an activity proposed in an application be funded 100 percent by Program Income?

Answer: No. A grantee must apply for and receive an award of State funds. If the State grants funds for the activity the City or County is allowed to commit Program Income to the activity.

Public Works:

Question: Are curbs and gutters considered a drainage project by CDBG?

Answer: No, curbs and gutters are considered part of sidewalk projects or street improvement projects. Drainage projects are for actual collection lines and basins.

NEPA Reviews on Public Works Projects:

Question: If a grantee is using the memorandum of understanding, National Environmental Protection Agency (NEPA) forms which cover USDA funds and CDBG funds on a public works project, can USDA take on the role as Responsible Entity?

Answer: No, the local jurisdiction must still sign the required NEPA forms and provide the public notices. USDA may take the lead on certain areas of the review and complete forms. However, the grantee is the responsible entity for the CDBG funds.

Planning Grant Allocation Application Training Questions:

Using Planning Grant Funds for GIS Software:

Question: Can planning grant applicants budget up to \$5,000 in the application for purchase of GIS software or upgrades to existing software?

Answer: Yes, applicants may pay for GIS application software up to \$5,000.

Planning Study Updates:

Question: Can a grantee do an update of a planning study from two years ago?

Answer: Yes, a grantee may do an update of a planning study, if that study is project specific. An update is needed to provide additional information not present in the prior study.

Question: If a grantee did a previous planning study surveying historic buildings in a downtown area for feasibility of redevelopment and identified three buildings needing to be redeveloped. Can the grantee now apply for project specific funds to do a more detailed analysis of the three separate projects and use the planning funds to rehabilitate and convert buildings into housing or occupied by businesses?

Answer: Yes. A grantee can follow up on a previous non-project specific planning study and apply for funds under the General or ED allocation for a project specific activity for each of the three separate projects.

Planning Study Updates:

Question: If a City and County apply jointly for PTA funds then do they submit one application?

Answer: Yes. If a joint application is proposed for two eligible grantees then the amount of funds available is doubled (\$140,000 under general, \$70,000 for non-project specific activities and \$70,000 for project specific activities). A signed joint powers agreement must be included in the application. We suggest the joint powers agreements be reviewed by legal counsel and adopted by each agency as part of the application approval.

For Further Information:

Contact the CDBG Administrative Assistant at (916) 552-9398 or Patrick Talbott at (916) 552-9361 or ptalbott@hcd.ca.gov, if there is need for further clarification of these issues or if applicants have other questions. State staff will also be available for conference calls to review application materials and give technical assistance as needed.